

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,

Debtors.

Chapter 11

Case No. 22-11068 (JTD)
(Jointly Administered)

**STATEMENT OF MDL NO. 3076 PUTATIVE CLASS REPRESENTATIVES AND CO-
LEAD COUNSEL IN CONDITIONAL SUPPORT OF CONFIRMATION OF THE
SECOND AMENDED JOINT CHAPTER 11 PLAN OR REORGANIZATION OF FTX
TRADING LTD AND ITS DEBTOR AFFILIATES AND RESERVATION OF RIGHTS**

Gellert Seitz Busenkell & Brown LLC (“GSBB”), The Moskowitz Law Firm (“Moskowitz Law”), and Boies Schiller Flexner LLP (“Boies Schiller” and collectively with GSBB and Moskowitz Law, “MDL Counsel”), as Co-Lead Counsel in MDL No. 3076 (S.D. Fl.) and on behalf of the putative class representatives thereof (“MDL Plaintiffs”), respectfully submit this conditional statement in support of confirmation of the *Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and Its Debtor Affiliates* (Dkt. 26029) (the “Plan”) and reservation of rights, and respectfully state as follows:

STATEMENT

1. On November 11 and 14, 2022, the FTX Debtors filed their respective petitions for voluntary relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”) commencing the instant FTX Bankruptcy Proceedings.

2. Between November 15, 2022, and January 3, 2023, certain of the eventual MDL Plaintiffs commenced civil actions in the United States District Court for the Southern District of Florida and the United States District Court for the Northern District of California against certain

defendants concerning certain facts and events involving the FTX Group prior to commencement of the FTX Bankruptcy Proceedings.

3. On June 5, 2023, the United States Judicial Panel on Multidistrict Litigation ordered that the aforementioned civil actions be transferred to a single federal judge in the Southern District of Florida (the “MDL Court”) and centralized the proceedings as *In re FTX Cryptocurrency Exchange Collapse Litigation*, MDL No. 23-03076 (S.D. Fla.) (“FTX MDL”).

4. Judge Moore, presiding over the FTX MDL, subsequently appointed Adam Moskowitz of Moskowitz Law and David Boies of Boies Schiller as Co-Lead Counsel to the putative class.

5. On June 3, 2024, the FTX Debtors commenced in the FTX Bankruptcy Proceedings an adversary proceeding against the MDL Plaintiffs to enjoin the MDL Plaintiffs from litigating certain of their claims in the FTX MDL, *FTX Trading Ltd. v. Chernyavsky*, No. 24-50072 (JTD) (Bankr. D. Del.) (the “Injunction Adversary Proceeding”).

6. On June 27, 2024, the FTX Debtors filed the solicitation versions of their chapter 11 plan of reorganization, which included provisions—including the application of the anti-double-dip, stay, and injunction provisions (e.g., §§ 7.12, 10.9, 13.5) to the FTX MDL and to the MDL Plaintiffs—that would, if implemented, harm the MDL Plaintiffs and would jeopardize the MDL Plaintiffs’ potential recoveries through the actions encompassed within the FTX MDL;

7. On August 1, 2024, the MDL Plaintiffs moved in the FTX MDL to enjoin the Injunction Adversary Proceeding (the “MDL Plaintiffs’ Injunction Motion”).

8. Given the related nature of the proceedings, the MDL Counsel and counsel for FTX Trading in this bankruptcy have been in contact for many months, ultimately arriving at an agreement to work together cooperatively going forward, obviating the need to litigate the

injunction motions filed by both sides and resolving the issues MDL Counsel had with the confirmation plan, among other issues.

9. On September 25, 2024, the Parties filed their Global Resolution with this Court (Dkt. 25683) and with the MDL Court (Dkt. 742), where it is currently awaiting approval.

10. With the changes to the confirmation plan to be effected by the Global Resolution, MDL Counsel and the MDL Plaintiffs believe that confirmation of the Plan is in the best interests of all FTX customer victims.

11. The FTX Debtors will allow the claims of MDL Plaintiffs pursuant to the Chapter 11 Plan and pay them out without any delays resulting from their status as litigants or participation in ongoing litigation. All MDL class members (FTX customer victims) stand to receive their petition day losses under the Plan's terms imminently.

12. Further, with the effectiveness of the Global Resolution, all MDL class members will have an expedient avenue to pursue the full measure of the damages they suffered as a result of FTX's operations, with the acknowledgement and cooperation of the FTX Estate and without regard for any of the bankruptcy stay or injunction provisions.

13. Most importantly, the anti-double-dip provision in the Plan will not apply to damages recovered through the MDL – allowing all MDL class members a path to full economic recovery.

14. Should the Global Resolution not receive approval of this Court and the MDL Court, MDL Counsel and the MDL Plaintiffs cannot support the Plan and reserve all rights to file an objection as contemplated by the Global Resolution.

CONCLUSION

WHEREFORE, for the reasons stated herein, so long as the Global Resolution becomes effective through approval by this Court and the MDL Court, the MDL Plaintiffs and MDL Co-Lead Counsel respectfully request that the Court confirm the Plan.

Dated: October 2, 2024

GELLERT SEITZ BUSENKELL & BROWN,
LLC

/s/ Bradley P. Lehman
Ronald S. Gellert (DE 4259)
Bradley P. Lehman (DE 5921)
1201 N. Orange St., Ste. 300
Wilmington, Delaware 19801
Telephone: (302) 425-5800
Facsimile: (302) 425-5814
rgellert@gsbblaw.com
blehman@gsbblaw.com

David Boies
Alexander Boies
Brooke A. Alexander
BOIES SCHILLER FLEXNER LLP
333 Main Street
Armonk, NY 10504
914-749-8200
dboies@bsfllp.com
aboies@bsfllp.com
balexander@bsfllp.com

Adam M. Moskowitz
Joseph M. Kaye
THE MOSKOWITZ LAW FIRM, PLLC
Continental Plaza
3250 Mary Street, Suite 202
Coconut Grove, FL 33133
Office: (305) 740-1423
adam@moskowitz-law.com
joseph@moskowitz-law.com
service@moskowitz-law.com

MDL Co-Lead Counsel